

ANNUAL REPORT TO STOCKHOLDERS



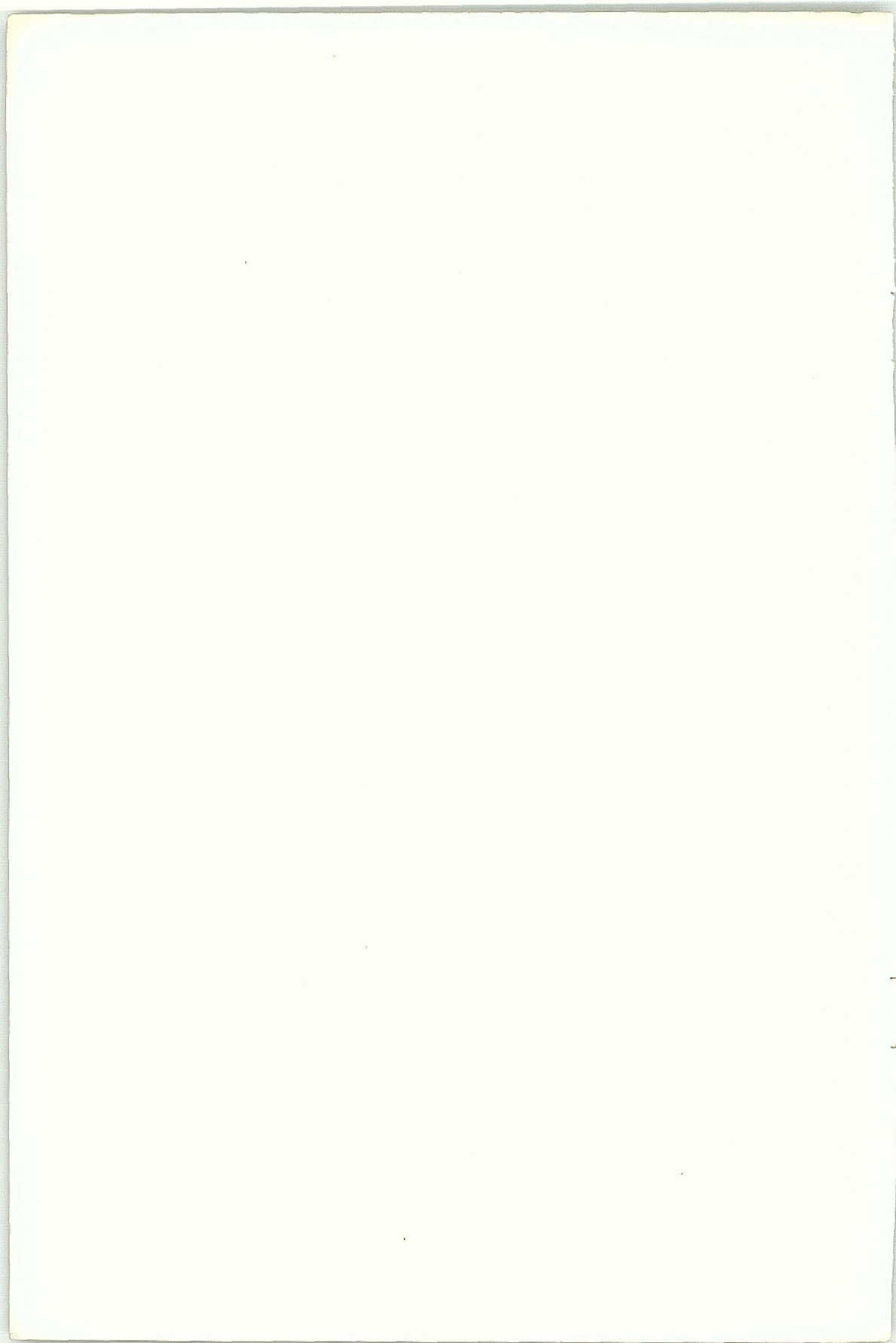
1950

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

BOARDS

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ANNUAL REPORT

THE COCA-COLA COMPANY AND ITS SUBSIDIARIES



FOR THE YEAR
1950

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN		HUGHES SPALDING
CHAS. H. CANDLER	BERNARD F. GIMBEL	E. W. STETSON
R. R. DEUPREE	WILLIAM J. HOBBS	D. A. TURNER
S. C. DOBBS (deceased)	J. P. ILLGES	GEORGE W. WOODRUFF
MRS. LETTIE P. EVANS	WINSHIP NUNNALLY	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

CHAS. H. CANDLER		D. A. TURNER
HUGHES SPALDING	E. W. STETSON	GEORGE W. WOODRUFF

A. A. ACKLIN, *Chairman, Advisory Committee*

OFFICERS

WILLIAM J. HOBBS	<i>President</i>
FELIX W. COSTE	<i>Vice-President</i>
EDGAR J. FORIO	<i>Vice-President</i>
R. C. FOWLER	<i>Vice-President</i>
O. E. MAY	<i>Vice-President</i>
HAROLD S. SHARP	<i>Vice-President</i>
JOHN C. STATON	<i>Vice-President</i>
C. L. TALLEY	<i>Vice-President</i>
T. CARL THOMPSON	<i>Vice-President</i>
H. B. NICHOLSON	<i>Vice-President and Treasurer</i>
JOHN D. GOODLOE	<i>Vice-President and Secretary</i>

COUNSEL

POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK
New York, N. Y.

REGISTRARS

EQUITABLE TRUST COMPANY
Wilmington, Delaware

CHASE NATIONAL BANK
New York, N. Y.

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

March 15, 1951

TO STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Submitted herewith are the financial statements for 1950. Net profit applicable to common stock, after taxes, reserves, and all other charges, was \$31,680,247.

Although world volume of unit sales for 1950 was somewhat greater than for any other year in the Company's history, there was a decline in net earnings due to increased costs of raw materials, increased taxes, including excess profits taxes, and an increase in consolidated expenses.

Largely because of substantially higher costs, some bottlers found it necessary to raise their wholesale selling price which, in many instances, prompted a higher retail price to the consumer. However, approximately 70% of the bottlers have not raised their wholesale price, with the result that the traditional 5c retail price has been generally maintained in the great majority of outlets.

The increasing volume both in the United States and abroad should tend to compensate for the present high level of costs and anticipated increased taxes for the current year.

The annual meeting of the stockholders of the Company will be held at 11:00 A.M., E.S.T., on Monday, May 7, 1951, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware. Notice of this meeting and proxies will be separately mailed to stockholders.

Respectfully submitted,

WILLIAM J. HOBBS,
President.

HARRISON JONES,
Chairman, Board of Directors.

CONSOLIDATED
THE COCA-COLA COMPANY AND I
December 31

ASSETS

CURRENT:

Cash on deposit and on call	\$25,660,680.09	
Government securities—at cost:		
United States and Canadian—		
(market value \$23,956,828.50)	23,991,012.73	
Accounts receivable—Trade—		
(less allowance of \$59,480.48)	14,344,148.41	
Inventory—Merchandise—		
(priced at lower of cost or market)	<u>39,393,298.05</u>	\$103,389,139.28

OTHER INVESTMENTS AND OTHER ASSETS:

Security investments—at cost—		
(market value \$844,350.00)	\$ 482,754.75	
Other receivables and miscellaneous	<u>7,066,132.52</u>	7,548,887.27

PROPERTY, PLANT AND EQUIPMENT—at cost:

Land	\$ 3,957,506.86	
Buildings	29,451,026.15	
Machinery and equipment	40,362,428.60	
Containers	<u>14,013,191.85</u>	
	\$87,784,153.46	
Less allowance for depreciation	<u>29,529,502.81</u>	58,254,650.65

FORMULAE, TRADE-MARK AND GOODWILL—at cost 41,432,816.42

DEFERRED CHARGES 3,354,888.92
\$213,980,382.54

The notes on page 7 constitute a

BALANCE SHEET
 TS CONSOLIDATED SUBSIDIARIES
 31, 1950

LIABILITIES

CURRENT:

Accounts payable and accrued accounts	\$ 13,474,147.33	
Notes payable by subsidiaries	1,212,038.16	
Accrued taxes—including taxes on income	\$28,449,355.16	
Less U. S. Treasury tax notes	18,517,778.17	9,931,576.99
		<u>\$ 24,617,762.48</u>

OTHER NOTES PAYABLE BY SUBSIDIARIES	2,130,000.00
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RESERVES:

For unremitted foreign profits	\$21,494,425.65	
For employees' retirement plan	4,269,129.04	25,763,554.69

MINORITY INTERESTS IN SUBSIDIARIES	384,465.29
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CAPITAL STOCK:

Class "A"—no par value:	
Authorized 1,000,000 shares, issued none	\$ - 0-

Common—no par value:

Authorized	5,000,000 shares	
Issued	4,280,805 shares	26,755,031.25

CAPITAL SURPLUS	1,824,883.15
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EARNED SURPLUS	132,825,173.19
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\$161,405,087.59

Less 4,827 shares of common stock owned by Company—at cost	320,487.51	161,084,600.08
		<u><u>\$213,980,382.54</u></u>

an integral part of this statement.

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year ended December 31, 1950

GROSS PROFIT		\$118,591,908.87
EXPENSES		
Selling, administrative and general		62,918,438.52
OPERATING PROFIT		\$ 55,673,470.35
Other income	\$ 3,831,891.04	
Less other deductions	2,729,720.85	1,102,170.19
PROFIT BEFORE TAXES ON INCOME		\$ 56,775,640.54
Provision for taxes on income—estimated:		
Federal, state, and foreign income and excess profits taxes	\$25,563,095.41	
Less adjustments for prior years	665,095.41	24,898,000.00
		\$ 31,877,640.54
Less portion of subsidiary earnings applicable to minority interests		50,858.53
NET PROFIT		<u>\$ 31,826,782.01</u>

CONSOLIDATED EARNED SURPLUS ACCOUNT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year ended December 31, 1950

Balance—December 31, 1949		\$125,740,898.18
Net profit for the year ended December 31, 1950		31,826,782.01
		<u>\$157,567,680.19</u>
DEDUCTIONS		
Charge resulting from purchase and redemption of Class "A" stock	\$ 3,221,410.00	
Dividends paid in cash:		
COMMON:		
Mar. 31, 1950—\$1.00 per share	\$4,275,477.00	
June 30, 1950—\$1.00 per share	4,280,805.00	
Sept. 29, 1950—\$1.00 per share	4,280,805.00	
Dec. 14, 1950—\$1.00 per share plus \$1.00 per share additional	8,561,610.00	
	<u>\$21,398,697.00</u>	
Less dividends on 4,827 shares owned by Company during year	24,135.00	
	<u>\$21,374,562.00</u>	
CLASS "A":		
June 30, 1950	146,535.00	
TOTAL DIVIDENDS PAID	21,521,097.00	
TOTAL DEDUCTIONS		24,742,507.00
EARNED SURPLUS—DECEMBER 31, 1950		<u>\$132,825,173.19</u>

The notes on page 7 constitute an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET:

1. *Capital Stock.* During the year 600,000 shares of Class "A" stock of the Company were purchased, redeemed or exchanged for common stock; and were cancelled. This resulted in a charge to earned surplus of \$3,221,410.00.

The holders of 501,420 shares of Class "A" stock exchanged their shares for 167,140 shares of newly issued common stock. The remaining 98,580 shares of Class "A" stock, not exchanged for common stock, were purchased or redeemed by the Company.

2. *Goodwill and Capital Surplus.* During the year the formulae, trade-mark and goodwill account was increased \$2,616,146.47 and the capital surplus account was increased \$4,331.78. These changes resulted principally from the Company's acquisition of capital stock in subsidiaries.

3. *Foreign Operations.* The accounts of subsidiaries and branches operating in foreign countries, consolidated in this balance sheet, consist of: current assets, \$26,937,803.04 (including cash and government securities aggregating \$14,482,997.51); property, plant and equipment at depreciated cost, \$17,505,393.12; other assets, \$2,702,131.18; and liabilities, \$11,631,635.33. Fixed assets are stated at rates of exchange prevailing at dates of acquisition and all other assets at rates of exchange prevailing at December 31, 1950. Unremitted profits of such subsidiaries and branches, consolidated herein, are included as follows: \$21,494,425.65 in the reserve for unremitted foreign profits and \$3,286,680.69 in earned surplus.

CONSOLIDATED PROFIT AND LOSS STATEMENT:

4. *Depreciation.* Provision for depreciation in the amount of \$5,817,682.25 was charged to manufacturing and other expenses.

5. *Other Deductions.* Other deductions include interest paid \$220,801.24; addition to reserve for unremitted foreign profits \$811,529.98; and addition to reserve for employees' retirement plan \$327,033.66, against which reserve has been charged \$1,297,831.29, the amount funded during the year.

6. *Foreign Profits Remitted.* Dividends from companies operating in foreign countries, the current profits of which are not reserved for, were \$178,073.52 in excess of profits of such companies consolidated herein.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

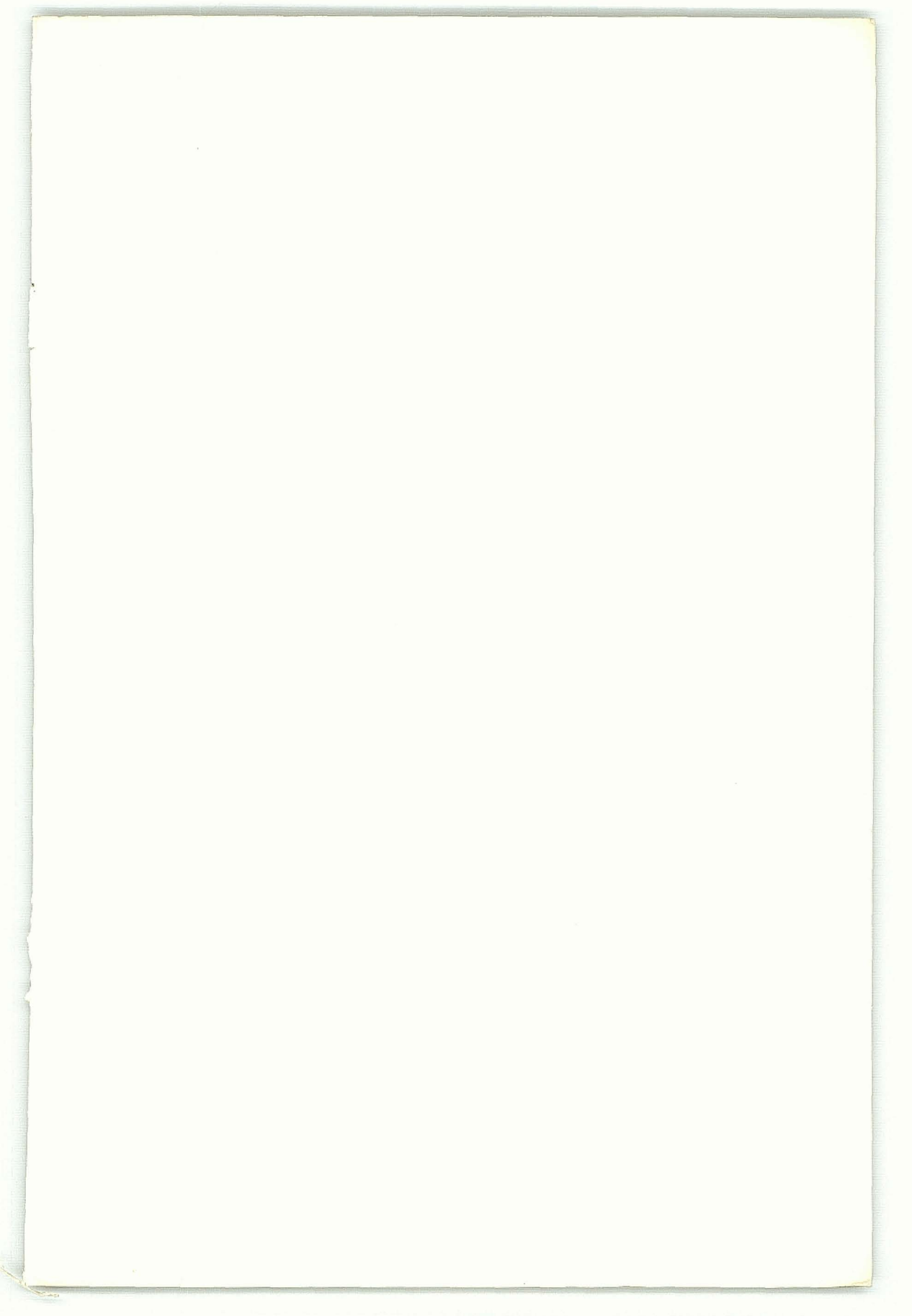
We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1950, and the related statements of profit and loss and surplus for the year then ended. Our examination of the Company and its domestic subsidiaries was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Statements of foreign subsidiaries consolidated herein were furnished to us as certified by other independent accountants.

In our opinion, based upon our examination and the statements of foreign subsidiaries consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1950, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

ERNST & ERNST

Certified Public Accountants

March 10, 1951



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